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*Attorneys for Debtors and
Debtors in Possession*

*Attorneys for Debtors and
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA**

In re:

SPECIALTY TRUST, INC., et al.¹

- ☐ Affects this Debtor
- ☒ Affects all Debtors
- ☐ Affects Specialty Acquisition Corp.
- ☐ Affects SAC II
- ☐ Affects SAC D-1, LLC

Chapter 11

**Jointly Administered under
Case No. 10-51432-GWZ**

Case Nos.:
10-51432
10-51437
10-51440
10-51441

**NOTICE OF ELEVENTH MONTHLY
INTERIM FEE AND EXPENSE STATEMENT
FOR THE PERIOD OF FEBRUARY 1, 2011
THROUGH FEBRUARY 28, 2011 OF
PACHULSKI STANG ZIEHL & JONES LLP,
GENERAL BANKRUPTCY COUNSEL TO
THE DEBTORS AND DEBTORS IN
POSSESSION**

Total Fees:	\$100,518.00
80% of Fees:	\$ 80,414.40
Total Expenses:	\$ 1,824.29

**Total Fees and Expenses
Requested on an Interim Basis: \$ 82,238.69**

PLEASE TAKE NOTICE that, pursuant to sections 330 and 331 of title 11 of the United

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, if applicable, are: Specialty Trust, Inc. (2463); Specialty Acquisition Corp. (3680); SAC II (2463); and SAC D-1, LLC (1858).

States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and this Court’s *Order Pursuant to 11 U.S.C. §§ 105(a) and 331, Fed. R. Bankr. P. 2016 Authorizing and Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals entered on June 17, 2010* [Docket #217] (the “Compensation Order”), Pachulski Stang Ziehl & Jones LLP (“PSZ&J”), general bankruptcy counsel for the above-captioned debtors and debtors in possession (the “Debtors”), hereby files this Notice of Eleventh Monthly Interim Fee Application for the Period of February 1, 2011 through February 28, 2011 (the “Eleventh Monthly Fee and Expense Statement Notice”) seeking interim payment of fees and expenses incurred by PSZ&J as bankruptcy counsel to the Debtors during the period from February 1, 2011 through February 28, 2011 (the “Eleventh Monthly Fee and Expense Period”).

PLEASE TAKE FURTHER NOTICE that a copy of PSZ&J’s statement of fees and expenses for the Eleventh Monthly Fee and Expense Period (the “Eleventh Monthly Fee and Expense Statement”), attached hereto as Exhibit A, has been served on the Notice Parties (as defined pursuant to the Compensation Order);

PLEASE TAKE FURTHER NOTICE that pursuant to the Compensation Order PSZ&J seeks interim payment of 80% of the fees and 100% of the expenses incurred during the Eleventh Monthly Fee and Expense Period, as follows:

Total Fees:	\$100,518.00
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80% of Fees:	\$80,414.40
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Total Expenses:	\$1,824.29
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Total fees and expenses requested on an interim basis: \$82,238.69

PLEASE TAKE FURTHER NOTICE that the amounts set forth above for compensation are net of approximately \$12,635.00 of voluntary write offs based on PSZ&J’s belief that it was appropriate to reduce its requested fees, and further, that PSZ&J reduced its fees related to non-working travel time by 50%.

1 **PLEASE TAKE FURTHER NOTICE** that PSZ&J will request payment of such amounts
 2 from the Debtors subject to current restrictions under the cash collateral order and to the provisions
 3 of the Compensation Order.

4 **PLEASE TAKE FURTHER NOTICE** that pursuant to the Compensation Order, any
 5 objection to the Eleventh Monthly Fee and Expense Statement must be in writing and served on or
 6 before twenty-one days (21) days after service, or no later than June 17, 2011 (the "Objection
 7 Deadline"). Any such objection must be served on PSZ&J and each of the Notice Parties so that the
 8 objection is received by those parties on or before the Objection Deadline.

9 **PLEASE TAKE FURTHER NOTICE** that the filing of the Eleventh Monthly Fee and
 10 Expense Statement and the delivery of same to the Notice Parties is not intended to be, and should
 11 not be construed as, an express or implied waiver by PSZ&J of any of its procedural and/or
 12 substantive rights and remedies under the terms of the *Order on Application of Debtors and Debtors*
 13 *in Possession to Employ Pachulski Stang Ziehl & Jones LLP as General Bankruptcy Counsel*, the
 14 Compensation Order, the Bankruptcy Code, the applicable Bankruptcy Rules, the Local Rules of
 15 Bankruptcy Practice of the United States Bankruptcy Court for the District of Nevada pursuant to
 16 LR 1001(a), and the Region 17 United States Trustee Guidelines (the "Guidelines") to amend,
 17 modify, revise, supplement or otherwise make changes to the Eleventh Monthly Fee and Expense
 18 Statement at any time prior to the time when PSZ&J seeks allowance and payment of the fees
 19 reimbursement of the expenses set forth herein either on an interim or final basis. To the contrary,
 20 all such rights and remedies are expressly reserved.

21 Dated: May 27, 2011

PACHULSKI STANG ZIEHL & JONES LLP

22
 23 By /s/ Ira D. Kharasch

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 Scotta E. McFarland (CA Bar No. 165391)
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 Attorneys for Debtors and Debtors in Possession

EXHIBIT A

EXHIBIT A

PACHULSKI STANG ZIEHL & JONES LLP

10100 Santa Monica Boulevard
 11th Floor
 Los Angeles, CA 90067

February 28, 2011

Invoice Number **94462** **80662 00002** **IDK**

Specialty Trust
 6160 Plumas Street
 Reno, NV 89519

Balance forward as of last invoice, dated: March 31, 2011	\$319,916.81
A/R Adjustments	-\$105,893.29
Net balance forward	<u>\$214,023.52</u>

Re: Post-Petition

Statement of Professional Services Rendered Through 02/28/2011

			Hours	Rate	Amount
Bankruptcy Litigation [L430]					
02/22/11	EMB	Email I. Kharasch re hearings on March 2nd.	0.10	695.00	\$69.50
02/26/11	EMB	Email exchange with Sallie Armstrong re hearings on 3/2.	0.10	695.00	\$69.50
Task Code Total			<u>0.20</u>		<u>\$139.00</u>
Case Administration [B110]					
02/02/11	PJJ	Update critical dates memo and circulate.	0.40	235.00	\$94.00
02/07/11	PJJ	Research return mail for new addresses.	0.40	235.00	\$94.00
02/07/11	PJJ	Update critical dates memo and circulate	0.30	235.00	\$70.50
02/16/11	PJJ	Update critical dates memo and circulate.	0.20	235.00	\$47.00
02/22/11	PJJ	Update critical dates memo and circulate.	0.20	235.00	\$47.00
02/28/11	PJJ	Update critical dates memo and circulate.	0.40	235.00	\$94.00
Task Code Total			<u>1.90</u>		<u>\$446.50</u>
Claims Admin/Objections[B310]					
02/13/11	VAN	Analysis regarding Taberna indenture provisions.	0.30	625.00	\$187.50
Task Code Total			<u>0.30</u>		<u>\$187.50</u>

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Compensation Prof. [B160]

02/22/11	PJJ	Review docket re certificates of no objection to fee applications (.2); download and email same to Ira Kharasch (.1).	0.30	235.00	\$70.50
Task Code Total			0.30		\$70.50

Financial Filings [B110]

02/18/11	SEM	Review the January MORs(.5);Email to Debbie Page re same (.1)	0.60	575.00	\$345.00
Task Code Total			0.60		\$345.00

Financing [B230]

02/01/11	EMB	Further revision to N. Gonfiantini declaration to be filed in support of budget motion and email of same to N. Gonfiantini and Lisa Rogers.	0.50	695.00	\$347.50
02/01/11	EMB	Finalize N. Gonfiantini declaration and exhibits thereto in support of budget motion.	1.00	695.00	\$695.00
02/01/11	EMB	Email exchanges with Lisa Rogers re N. Gonfiantini declaration in support of budget motion and Nadador.	0.40	695.00	\$278.00
02/01/11	IDK	Review of numerous emails re budget motion and related valuation questions and consider.	0.20	825.00	\$165.00
02/02/11	EMB	Several email exchanges with Donna Ellis, Sallie Armstrong and Lisa Rogers re exhibits to N. Gonfiantini declaration in support of budget motion.	0.30	695.00	\$208.50
02/02/11	EMB	Several email exchanges with V. Newmark, Sallie Armstrong and Lisa Rogers revising N. Gonfiantini declaration in support of budget motion.	0.50	695.00	\$347.50
02/02/11	EMB	Email exchange with V. Newmark re further revisions to be made to N. Gonfiantini declaration.	0.20	695.00	\$139.00
02/02/11	IDK	Review numerous emails re filing today of motion to amend budget re Nadador, other issues and briefing concerns (.2).	0.20	825.00	\$165.00
02/02/11	VAN	Revise motion to amend budget and modify CIC & S loan	0.60	625.00	\$375.00
02/03/11	EMB	Email exchange with Donna Ellis re delivery of motion documents to chambers.	0.10	695.00	\$69.50
02/03/11	IDK	Telephone conference with Committee counsel re budget motion and related issues (.1).	0.10	825.00	\$82.50
02/09/11	EMB	Email exchange and further telephone conference with Lisa Rogers re CIC&S documents relating to budget motion and re status of updated appraisal on Waterfront.	0.20	695.00	\$139.00
02/10/11	IDK	Emails with client and lenders re cash reports, questions re same, and review latest.	0.40	825.00	\$330.00

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Date	Initials	Description	Hours	Rate	Amount
02/16/11	IDK	Review e-mail from Committee counsel with its draft opposition to cash collateral motion and e-mails and telephone conferences with CRO re same and e-mails with Committee counsel re extension re objection (.4); E-mails with S. Armstrong and CRO re same re extension and our reply and Board fee concern of committee (.3).	0.70	825.00	\$577.50
02/17/11	EMB	Review email from K. Thomas re intended objection to motion to amend budget, review proposed objections and email exchanges (2) with I. Kharasch and V. Newmark re Thomas demands for information re Nadador and responses to objection.	0.60	695.00	\$417.00
02/17/11	EMB	Several email exchanges with V. Newmark and I. Kharasch re Nadador budget and preparation of material to provide to counsel for Committee.	0.50	695.00	\$347.50
02/17/11	EMB	Telephone conference with N. Gonfiantini re Nadador budget and Committee threatened objection to budget extension.	0.20	695.00	\$139.00
02/17/11	IDK	E-mails with client, CRO and then with Committee counsel re cash collateral motion and extension of time to object (.2); E-mails with Committee counsel re its draft opposition to cash collateral motion and quick review (.2); E-mails to attorneys and client re same and need for information to respond and coordinate and need for more robust Nadador budget (.3).	0.70	825.00	\$577.50
02/17/11	VAN	Analysis regarding Nadador budget issues.	0.80	625.00	\$500.00
02/18/11	EMB	Review email from K. Thomas re cash collateral issues.	0.20	695.00	\$139.00
02/18/11	EMB	Email exchange with N. Gonfiantini and Grant Lyon re Committee's objection to budget motion.	0.20	695.00	\$139.00
02/18/11	IDK	E-mails and telephone conferences with client group, attorneys re committee counsel concerns and issues on Nadador and concerns on data to provide (.3); E-mails with committee counsel and CRO re same and extension re opposition (.1).	0.40	825.00	\$330.00
02/22/11	EMB	Email I. Kharasch and V. Newmark re Nadador budget and sending same to K. Thomas.	0.20	695.00	\$139.00
02/22/11	EMB	Review Nadador budget forwarded by N. Gonfiantini and Grant Lyon.	0.50	695.00	\$347.50
02/22/11	EMB	Telephone conference with N. Gonfiantini re Nadador budget.	0.30	695.00	\$208.50
02/22/11	EMB	Email exchanges (2) with V. Newmark re Nadador budget, in re budget motion.	0.20	695.00	\$139.00
02/22/11	IDK	Telephone conference with CRO re his issues with committee over our motion to amend cash collateral budget (.1); E-mails with n. Gonfiantini, attorneys re more detailed budget on Nadador for committee on its issues with cash collateral motion (.2); E-mails with S. Armstrong re hearing re same (.1).	0.40	825.00	\$330.00
02/22/11	IDK	Telephone conference and e-mails with CRO re numerous e-mails with committee counsel re dispute over Nadador expenses and lenders (.3); E-mails with committee counsel and CRO re same (.2); E-mails with T. Newmark re specific concerns re same (.2); E-mails with client, CFO re need for Nadador financial statements re other debt (.2).	0.90	825.00	\$742.50

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02/24/11	EMB	Review and consideration of email from B. Hicks in resolution of Committee objection to budget motion.	0.20	695.00	\$139.00
02/24/11	IDK	E-mails with CFO re weekly cash reports, review and send to lenders (.3); E-mails with CRO, Imperial re equity committee's proposal to resolve its issues on cash collateral motion (.2).	0.50	825.00	\$412.50
02/25/11	EMB	Review and analysis of multiple documents regarding homeowner association's rights and remedies and bonding obligations in Nadador in re senior rights to be considered in the event of foreclosure by ST on Nadador and prepare detailed emails (3) to I. Kharasch and V. Newmark re same for purposes of considering Committee proposed resolution and foreclosure on Nadador.	1.00	695.00	\$695.00
02/25/11	EMB	Analysis of Committee proposal resolution of Nadador budget issues and prepare detailed email to I. Kharasch and V. Newmark re same.	0.50	695.00	\$347.50
02/25/11	EMB	Review email from I. Kharasch re stipulation with Committee on budget motion.	0.10	695.00	\$69.50
02/25/11	EMB	Conference with I. Kharasch re Committee stipulation re budget and Nadador and further email to I. Kharasch re issues concerning potential senior lien rights of bonding company and/or HOA.	0.20	695.00	\$139.00
02/25/11	IDK	E-mails with Bud H., others re Committee's summary of the points for its settlement after its discussion with Grant and CRO today and consider and feedback of others (.3); E-mails with attorneys re same and need to incorporate in order (.2).	0.50	825.00	\$412.50
02/25/11	IDK	E-mails with CRO, Committee counsel re its desire for further stipulation vs revised order and extension of time to object (.2); E-mails with attorneys re concerns on foreclosing on Nadador and not paying obligations to HOA (.2).	0.40	825.00	\$330.00
02/25/11	IDK	Review and consider memo to Committee counsel re its proposal on cash collateral motion re Nadador and possible response (.2); E-mails and office conference with attorneys re same re importance of marketing expense and issues on HOA lien on rights if Debtor forecloses on Nadador defaults (.3); E-mails with attorneys re status of discussions with CRO and Committee and resolution (.2).	0.70	825.00	\$577.50
02/25/11	VAN	Analysis regarding Nadador budget issues.	1.50	625.00	\$937.50
02/26/11	IDK	Review and consider Committee's proposed stipulation re Nadador and cash collateral, and compare to e-mail on 2/25 (.2); E-mails with T. Newmark re same on accuracy of facts (.1).	0.30	825.00	\$247.50
02/27/11	VAN	Analysis regarding Nadador issues.	0.30	625.00	\$187.50
Task Code Total			17.70		\$12,909.50

General Business Advice [B410]

02/02/11	IDK	Telephone conferences with P. Parmes, counsel to SFC and N. Gonfiantini re case status and relation to settlement	0.40	825.00	\$330.00
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		option (.4).			
02/03/11	IDK	Telephone conference with Alvarez Marsal re possible interest in its real estate fund in investing in case and status of case (.4); Emails with Imperial re same and getting materials to A&M, as well as later past correspondence with A&M fund (.3); Emails with A&M and Imperial re same for next steps (.2).	0.90	825.00	\$742.50
02/04/11	IDK	Emails with Imperial re possible interest of A&M real estate fund in company (.2).	0.20	825.00	\$165.00
02/07/11	EMB	Email exchange with I. Kharasch re proposed markup of confidentiality agreement.	0.20	695.00	\$139.00
02/07/11	EMB	Review email and mark-up of confidentiality agreement received from Jordan Kroop.	0.50	695.00	\$347.50
02/07/11	EMB	Review email from Marc Bilbao re latest version of USB confidentiality agreement and further email exchange with I. Kharasch re same.	0.30	695.00	\$208.50
02/07/11	EMB	Email exchange and conference with I. Kharasch re US Bank confidentiality agreement / information request.	0.40	695.00	\$278.00
02/07/11	IDK	Telephone conference with counsel for USB re case status, Northlight, and its issues on CA (.3); Emails with client and S. Armstrong re today's upcoming call on all issues and draft agenda, and review and supplement (.2); Attend such all hands meeting on all issues (.6); email client re its summary of same call and tasks (.1); Emails and telephone conference with Imperial, Northlight re status of getting new term sheet (.1); Emails with USB counsel re its revisions of today to CA and consider new issues (.2); Emails with client group and E. Bender re same and possible solutions (.3).	1.80	825.00	\$1,485.00
02/07/11	VAN	Review Turn Haven non-disclosure agreement.	0.20	625.00	\$125.00
02/08/11	EMB	Email exchanges (2) with I. Kharasch re US Bank confidentiality agreement.	0.20	695.00	\$139.00
02/08/11	EMB	Further revisions to draft confidentiality agreement and email I. Kharasch re same.	0.70	695.00	\$486.50
02/08/11	IDK	Review and consider USB markup of CA, and emails with E. Bender re litigation concerns re same and new definition and need for clarifications, and review her revisions to same (.4); Emails with USB re its acceptance of our revisions to CA and with client, Imperial re same on opening data room (.2).	0.60	825.00	\$495.00
02/09/11	EMB	Review email from Jordan Kroop re latest comments to proposed confidentiality agreement and email exchanges (2) with I. Kharasch re same.	0.30	695.00	\$208.50
02/09/11	EMB	Telephone conference with Jordan Kroop re US Bank confidentiality agreement.	0.40	695.00	\$278.00
02/09/11	IDK	Emails with USB counsel re its rescinding of its execution of the CA and re data room issues and its new intention to share information with true 3d parties (.2); emails client and E. Bender re same and office conference with E. Bender re problem, and need for her to take over negotiations with USB and our options if litigation (.4).	0.60	825.00	\$495.00
02/10/11	EMB	Telephone conferences with M. Bilbao and I. Kharasch re confidentiality agreement with US Bank.	0.60	695.00	\$417.00

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02/10/11	EMB	Email G. Lyon, N. Gonfiantini and M. Bilbao in re latest version of US Bank confidentiality agreement and revisions to same.	0.30	695.00	\$208.50
02/10/11	EMB	Email exchange with Marc Bilbao re proposed USB confidentiality agreement.	0.20	695.00	\$139.00
02/10/11	IDK	Telephone conferences and emails with client, Imperial re update on Northlight negotiations, DB ad hoc, and new potential lender, and USB NDA problems (.4); Office conferences and e-mails with E. Bender re new communications with USB on its CA issue and how to respond and probable protective order issues, and consider (.4); Telephone conference and emails with Imperial re meeting with DB ad hoc group and issues (.2); Attend conference call with Imperial and E. Bender re confidentiality issues and USB, and then on Northlight term sheet issues (.4).	1.40	825.00	\$1,155.00
02/11/11	IDK	Emails with Imperial re result of meeting with another possible investor and need for call this weekend.	0.20	825.00	\$165.00
02/12/11	IDK	Emails with S. Armstrong re need to discuss various open issues, letter to D&O carrier, and related issues, and send her related information on same.	0.30	825.00	\$247.50
02/14/11	IDK	E-mails with client group re today's upcoming Board call, and upcoming scheduled weekly call (.3); E-mails and telephone conference with S. Armstrong re variety of case issues (.3).	0.60	825.00	\$495.00
02/15/11	EMB	Email exchange with Jordan Kroop re US Bank confidentiality agreement.	0.20	695.00	\$139.00
02/15/11	IDK	Review and consider e-mails with USB and E. Bender re continued dispute with USB on its ability to share information with buyer re its debt (.2); E-mail with Imperial and client re need all hands call tomorrow on new investor issues (.2); E-mails and telephone conferences with Imperial re issues on same and need for restructure deal (.4).	0.80	825.00	\$660.00
02/15/11	IDK	E-mails with Imperial, CRO and telephone conference with Esterkin re upcoming call today with ad hoc DB noteholders (.3); Review Imperial material re same (.3); Attend part of DB/Imperial call re case status and Northlight new proposal (.9).	1.50	825.00	\$1,237.50
02/15/11	IDK	E-mails with Imperial, client re issues on potential new investor for exit and DIP including confidentiality and Northlight discussions with new investor (.3); E-mail with new potential investor and Imperial and client re need for call on its issues and potential deal and coordinate (.3); Attend conference call re same (.6); E-mails and telephone conference with counsel for sub debt re status of case and potential new investor and Northlight (.4).	1.60	825.00	\$1,320.00
02/15/11	IDK	E-mails with counsel for sub debt re need for further group call tomorrow on case status (.2).	0.20	825.00	\$165.00
02/16/11	EMB	Telephone conference with Jordan Kroop in re USB Confidentiality Agreement; review email from Kroop re same concerning documents requested from debtors.	0.30	695.00	\$208.50
02/16/11	IDK	Prepare substantial markup to Northlight's proposed new term sheet for exit financing (1.4); Office conference with	2.00	825.00	\$1,650.00

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		M. Bilbao at Imperial re issues and problems on how to counter Northlight new proposal (.3). E-mails with Scott F. at Imperial re same (.3).			
02/16/11	IDK	E-mails and office conferences with E. Bender re committee correspondence and document protections and need for letter to insurance carriers and supply same and concerns re same letter.	0.40	825.00	\$330.00
02/16/11	IDK	Attend conference call with counsels for sub-debt re general case status, Northlight and potential new investors (.4); E-mails with Imperial, CRO re same and re desire of sub-debt for further call with business representatives of sub-debt and CRO (.3); E-mails with sub-debt counsel re Northlight proposal re new deal (.2); Extensive e-mails and office conference with E. Bender re new issues raised by USB on its demand for access to data room and confidentiality related issues and consider (.2); E-mails with Imperial with my draft extensive mark-up to Northlight deal (.2).	1.30	825.00	\$1,072.50
02/16/11	IDK	E-mails and telephone conferences with Imperial, N. Gonfiantini re reacting to potential new investor, summary of DB ad hoc group yesterday (.4); E-mails and office conference with E. Bender re USB NDA dispute and our alternatives and new counter-offer (.4); E-mails with DB counsel re its ability to talk directly to CRO and Imperial and limitations (.3); Attend conference call with CRO, Imperial, N. Gonfiantini on how to respond to Northlight new term sheet and various case issues and other potential investor (.8); E-mails with imperial re its list of issues to address to counter Northlight proposed new term sheet and consider (.3).	2.20	825.00	\$1,815.00
02/17/11	IDK	E-mails and telephone conference with Imperial re feedback from potential new investor and second DIP (.3); Attend conference call with Imperial and potential new investor counsel re same and structure and second DIP Loan (.3); E-mails with Imperial re my mark-up to Northlight revised term sheet and need for further changes, and make same (.7); E-mails and telephone conferences with imperial and others re potential new investor and its counsel's concerns on different structure of deal (.5).	1.80	825.00	\$1,485.00
02/17/11	IDK	E-mails with Imperial, DB, equity committee re our mark-up to Northlight new deal (.2); Telephone conferences and numerous e-mails with sub-debt business folks and their counsels and CRO re coordination of conference call tomorrow on case status (.4); Office conference and e-mails with E. Bender and T. Newmark re issues and concerns on letter sent to insurance carrier and how to fix and consider (.2); E-mails with FTI re its issues on our mark-up to Northlight deal.	0.90	825.00	\$742.50
02/18/11	IDK	Review of numerous e-mails re revisions to prior letter to carrier and fixing concerns (.2).	0.20	825.00	\$165.00
02/18/11	IDK	Attend conference call with counsels to sub-debt and CRO re status of case, Northlight and other potential investor (.7); E-mails with subdebt counsel re our counters to Northlight (.1).	0.80	825.00	\$660.00
02/21/11	IDK	E-mail with client re today's upcoming call for all hands and create agenda (.2); Attend call re same (.5); E-mails	1.10	825.00	\$907.50

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		with client re Sedona visit with new potential investors and prior confidentiality and need for new version (.2); E-mails with client re detailed summary of case status and consider next steps (.2).			
02/23/11	IDK	E-mails with attorneys re issues on noticing numerous parties on documents.	0.20	825.00	\$165.00
02/23/11	IDK	Office conference with I. Nasatir re D&O Insurance issues re clarification of letter and need for equity committee to make demand (.2); Consider same and how to respond to deadlines (.1); E-mails with client re document presentation (.1); E-mails with attorneys re issues on revised draft letter to Insurance Carrier (.2)	0.60	825.00	\$495.00
02/24/11	EMB	Review email from G. Lyon re confidentiality agreement.	0.10	695.00	\$69.50
02/24/11	EMB	Review email from R. Esterkin forwarded by I. Kharasch, regarding obtaining FTI information and confidentiality issues and email to I. Kharasch and Scotta McFarland re same.	0.20	695.00	\$139.00
02/24/11	EMB	Several email exchanges with Scotta McFarland and I. Kharasch re confidentiality agreement with Committee and re inclusion of Deutsche Bank in same.	0.50	695.00	\$347.50
02/24/11	EMB	Prepare proposed revised confidentiality agreement based upon Kroop latest draft and email exchanges with I. Kharasch and Marc Bilbao re comments.	0.90	695.00	\$625.50
02/24/11	EMB	Review email and new draft confidentiality agreement from Jordan Kroop.	0.30	695.00	\$208.50
02/24/11	EMB	Email I. Kharasch re USB confidentiality agreement.	0.20	695.00	\$139.00
02/24/11	EMB	Email I. Kharasch re latest draft of agreement sent by Jordan Kroop.	0.20	695.00	\$139.00
02/24/11	IDK	E-mails and office conferences with attorneys re status of USB continued demands re data room and insurance carrier and case status (.2); E-mail and telephone conference with N. Gonfiantini re shareholder meeting and potential letter to company and consider (.2).	0.40	825.00	\$330.00
02/24/11	IDK	E-mails and telephone conference with Esterkin re his demand for access to FTI re equity insider work product and data re insider claims, case status and CNB motion issues (.4); E-mails with client, Imperial, E. Bender re same and confidentiality issues (.3); E-mails with attorneys re same and status of prior confidentiality with committee (.2).	0.90	825.00	\$742.50
02/25/11	EMB	Email J. Kroop and M. Bilbao re markup of latest version of USB confidentiality agreement.	0.30	695.00	\$208.50
02/25/11	EMB	Email K. Thomas re prior confidentiality agreement with DB, enclosing agreements and re coverage of same for purposes of DB review of FTI work product.	0.20	695.00	\$139.00
02/25/11	EMB	Telephone conference and email exchange with M. Bilbao re confidentiality issues.	0.60	695.00	\$417.00
02/25/11	EMB	Email exchanges (2) with I. Kharasch and M. Bilbao in re confidentiality agreement with Deutsche Bank for purposes of their review of FTI materials.	0.20	695.00	\$139.00
02/25/11	EMB	Email exchange with Jordan Kroop re confidentiality agreement issues with USB.	0.20	695.00	\$139.00
02/25/11	IDK	E-mails with Imperial, E. Bender re confidentiality issues	0.60	825.00	\$495.00

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		with DB generally (.2); E-mails with N. Gonfiantini re communications re new investors and Sedona status and restructuring and Caviatta offer (.2); E-mails with Court and attorneys re Court's notice of change of time of hearing on 3/2 and whether it applies to all 3 (.2).			
02/25/11	IDK	E-mails with CRO, N. Gonfiantini and Imperial re need for call on major issues ASAP and coordinate (.2); Attend conference call re same (.8); e-mails with counsel to sub debt re case status and need for call today and coordinate with CRO (.2); Attend conference call re same with CRO and sub-debt (.7); Office conference with E. Bender re issues with USB on data room, DB confidentiality issues and 3/2 hearing (.2).	2.10	825.00	\$1,732.50
02/25/11	IDK	E-mails with CRO re call with sub debt and FTI work product issues and his correspondence with committee counsel re same.	0.30	825.00	\$247.50
02/26/11	EMB	Review email from K. Thomas re DB review of FTI work product.	0.10	695.00	\$69.50
02/26/11	EMB	Prepare email to R. Esterkin re DB review of FTI work product and confidentiality agreements.	0.20	695.00	\$139.00
02/26/11	EMB	Email exchange with I. Kharasch re DB confidentiality agreement vis a vis review of FTI work product.	0.20	695.00	\$139.00
02/26/11	IDK	Consider e-mail with Committee counsel on 2/27 re her question on Debtor's position of equity being out of money and CNB opposition papers re value (.1); E-mails with T. Newmark re same on values and comparison of initial values and today's position and value (.3); Numerous e-mails with Committee counsel, others re same and disputes with her contention that equity is in money (.5).	0.90	825.00	\$742.50
02/26/11	IDK	Telephone conference with N. Gonfiantini, Imperial re new feedback from certain potential new investors on 2nd DIP and exit and need for certain prior pleadings for new investors and counsels (.2); E-mails with T. Newmark and N. Gonfiantini and Imperial re same re prior Northlight documents (.3); E-mails with E. Bender re need for her to contact DB counsel re FTI work product and confidentiality and review her memo to DB and Committee (.2); E-mails separately to S. Armstrong, T. Newmark re hearing schedule on 3/2 and status of exclusivity and next motion (.4).	1.10	825.00	\$907.50
02/28/11	IDK	E-mails with Committee counsel re demand for Debtor's official position on whether equity in money and my initial feedback re same and timing of official position (.3); E-mails with CRO, N. Gonfiantini, Imperial re same, yesterday's related e-mails and how to respond (.3); Telephone conferences with CRO re same issues and valuation issues and presentation to court and consider (.2); Telephone conferences with Imperial re status and Northlight (.2).	1.00	825.00	\$825.00
02/28/11	IDK	E-mails with client re upcoming all hands call today and prepare agenda (.2); Attend all hands call with client group, CRO, Imperial re case issues and 3/2 hearing (1.0); Further e-mails with Committee counsel and others re committee concerns on equity (.2); E-mails with E. Bender, S. McFarland re status of new confidentiality arrangement to get information to DB and others re FTI	1.90	825.00	\$1,567.50

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analysis (.2); E-mails with Committee counsel, E. Bender re committee's demand to know about document presentation actions and our responses (.3).

Task Code Total**41.00****\$32,615.00****General Creditors Comm. [B150]**

02/24/11	SEM	Consideration of emails from Kaaran Thomas regarding her issues with the Committee Confi agreement and revisions to Confi agreement re same	0.40	575.00	\$230.00
02/24/11	SEM	Review current draft of committee confi agreement and consider how to modify to suit current circumstances	0.30	575.00	\$172.50
02/24/11	SEM	Email exchange with Ellen Bender and Ira Kharasch regarding committee confi agreement and review status of same	0.20	575.00	\$115.00
02/24/11	SEM	Email communications with Ellen Bender regarding the confi agreement	0.10	575.00	\$57.50
02/25/11	SEM	Email communications from Ellen Bender regarding confi agreement and email to Kaaran Thomas re same transmitting a draft	0.20	575.00	\$115.00
02/28/11	SEM	Email exchange with Ellen Bender regarding confidentiality agreement	0.10	575.00	\$57.50

Task Code Total**1.30****\$747.50****Insurance Coverage**

02/01/11	IAWN	Office conference with Ira D. Khasrasch re Specialty insurance project	0.40	725.00	\$290.00
02/01/11	IAWN	Exchange emails with Ira D Kharasch re insurance issues	0.10	725.00	\$72.50
02/01/11	IDK	Office conference with I. Nasatir re issues on soon to expire D&O insurance (.4); Emails with client re same and need for copy of committee letter sent to insurance company, and review of purported letter, and email to I. Nasatir re same (.3).	0.70	825.00	\$577.50
02/02/11	IDK	Review of recent cash flows, variances, and emails with lenders re same (.4); Office conference with I. Nasatir re insurance issues (.1); email client re same (.1).	0.60	825.00	\$495.00
02/03/11	IAWN	Review and analyze insurance policy	1.10	725.00	\$797.50
02/03/11	IDK	Emails with client re insurance issues.	0.20	825.00	\$165.00
02/04/11	IAWN	Exchange emails with Ira D Kharasch reviewing additional documents looking for letter to insurance company providing notice	0.40	725.00	\$290.00
02/04/11	IAWN	Review additional materials provided by Ira D Kharasch including equity committee memorandum	0.90	725.00	\$652.50
02/04/11	IAWN	Office conference with Ira D Kharasch re insurance issues	0.40	725.00	\$290.00
02/04/11	IDK	Review emails, documents summarizing claims vs Directors and officers by Committee and office conference	1.00	825.00	\$825.00

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		with I. Nasatir re same for insurance analysis (.4); Emails with client re same and need for actual copies of notices to insurance carrier, review of same and emails with I. Nasatir re same (.3); Emails with client re issues on Esperanza loan restructure (.2); Emails with Committee counsel re insurance letter question (.1).			
02/05/11	IAWN	Review Biltmore and cases and insurance policy	1.70	725.00	\$1,232.50
02/05/11	IAWN	Exchange emails with Ira D Kharasch re missing letter to insurer	0.10	725.00	\$72.50
02/06/11	IAWN	Review disclosure statement re memorandum and analyze same	0.80	725.00	\$580.00
02/07/11	IAWN	Began work to prepare notice letter to directors and officers for insurer	1.30	725.00	\$942.50
02/07/11	IAWN	Participate in weekly call re insurance issues	0.50	725.00	\$362.50
02/07/11	IDK	Review and consider memo from I. Nasatir on issues and possible solutions to upcoming expiration of D&O insurance (.3); Telephone conferences and e-mails with I. Nasatir re same and questions for today's call, and need for more information on Disclosure Statement description and D&O information (.4); Email S. Armstrong re need for information on Disclosure Statement re same (.1); Emails with S. Armstrong and others re issues on Gonzalez litigation and Desert Land and possible removal (.2).	1.00	825.00	\$825.00
02/08/11	IAWN	Review Ira D Kharasch email re Kaaran Thomas doing initial draft of notice letter and respond	0.10	725.00	\$72.50
02/08/11	IAWN	Review Ira D Kharasch email re directors and officers need to get out notice	0.10	725.00	\$72.50
02/08/11	IDK	Consider how to put together notice to D&O carrier re potential claims, and telephone conference with counsel to committee re same and re Northlight status (.2); Emails with I. Nasatir re same and next steps, and concerns on adequacy of notice to carrier, and consider (.2).	0.40	825.00	\$330.00
02/10/11	IAWN	Prepare and revise notice letter to directors and officers with copy to insurer working of Kaaran Thomas draft and finalize same for directors and officers to receive on last day of policy, timely for notice, including telephone conferences with equity committee lawyers re corrections to their draft and approval of language inserted by Iain Nasatir	6.50	725.00	\$4,712.50
02/10/11	IDK	Emails with committee counsel re timing on her memo on claims vs Directors and Officers re carrier and brief review of same (.3); Numerous telephone conferences and emails with I. Nasatir re same and his revisions to letter timing problems with getting out letter to carrier and all Directors and Officers, and confirm with client re prior Directors and Officers and get to I. Nasatir (.9); Emails with committee and I. Nasatir re need for conference call on letter-carrier (.1); Telephone conference with I. Nasatir prior to call with committee and then attend conference call re changes to letter to carrier (.5); email client re status and nature of letter and getting notice to Board tonight to explain, and Pollack's recommendation to purchase tail tomorrow, and review his memo (.4); Emails with I. Nasatir re revised letter and coordinate getting out tonight (.3).	2.50	825.00	\$2,062.50
02/11/11	IAWN	Exchange emails with Caudill re cancellation of policy by	0.20	725.00	\$145.00

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		insurer			
02/11/11	IDK	Emails and office conferences with I. Nasatir, client, Pollack re issue on prior notice of cancellation of D&O insurance and resulting automatic 60 day extension re tail, and need for letter to carrier re same and prior notice (.4); Emails with lenders' counsels re weekly cash reports, and review of same (.3); Emails with Committee re D&O and its concern of having another claim (.1).	0.80	825.00	\$660.00
02/12/11	IDK	Review extensive committee letter re preservation of evidence in forms of documents, etc. re possible claims re insurance re insiders, and email to E. Bender re same and coordinating (.2); Emails with lenders' counsels re numerous prior cash reports that were missing and brief review of same (.4).	0.60	825.00	\$495.00
02/14/11	IDK	E-mails with client re D&O insurance and need for response to Board re prior letter (.2); E-mails with E. Bender re committee letter on retention of documents and how to handle and timing (.2).	0.40	825.00	\$330.00
02/16/11	EMB	Email exchanges (2) with I. Kharasch re letter re claims against officers and directors.	0.20	695.00	\$139.00
02/16/11	EMB	Review letter re claims against officers and directors and email to I. Kharasch re same.	0.50	695.00	\$347.50
02/16/11	EMB	Email exchange and conference with I. Kharasch re letter to D&O's re potential claims.	0.40	695.00	\$278.00
02/16/11	IAWN	Follow-up re whether any us mail letters with notice were returned	0.10	725.00	\$72.50
02/16/11	IDK	E-mails with N. Gonfiantini and CRO and bankruptcy counsel re Sedona issues and inquiries of equity members re same.	0.30	825.00	\$247.50
02/17/11	EMB	Email I. Nasatir re letter to carrier re D&O claims.	0.20	695.00	\$139.00
02/17/11	IAWN	Review and respond to Caudill's emails re notice by directors	0.20	725.00	\$145.00
02/18/11	EMB	Further revisions to D&O claim letter per comments from V. Newmark.	0.50	695.00	\$347.50
02/18/11	VAN	Revise amended D&O demand letter.	1.00	625.00	\$625.00
02/19/11	EMB	Email exchange with I. Nasatir re letter to carrier re D&O claims.	0.20	695.00	\$139.00
02/19/11	IAWN	Exchange emails with Ellen M Bender re notice letter and questions from Caudill	0.10	725.00	\$72.50
02/22/11	EMB	Email exchanges (2) and conference with I. Nasatir re letter concerning insurance claims.	0.30	695.00	\$208.50
02/22/11	IAWN	Review file, policy etc. and letters to insurer and clients' letters	1.00	725.00	\$725.00
02/22/11	IAWN	Analyze Ellen Bender's emails re clarification letter to insurer and 60 extension of reporting period and respond via emails	0.50	725.00	\$362.50
02/22/11	IDK	Telephone conference and e-mails with CRO, N. Gonfiantini re status, Debtor's move and committee concerns re destruction of documents, including review of committee correspondence re same (.4); E-mails with E. Bender re same and responding (.2); E-mails with D. Gardner, S. Armstrong re CNOs and status of payments (.3); E-mails with attorneys re issues on need for revised	1.00	825.00	\$825.00

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		letter to insurance carrier (.1).			
02/23/11	EMB	Email exchange with I. Nasatir revised letter to carrier re D&O claims.	0.20	695.00	\$139.00
02/23/11	IAWN	Review sequence of letters and emails from file to determine how to respond with revised letter with notice to insurer	0.90	725.00	\$652.50
02/23/11	IAWN	Analyze Ellen M Bender draft of letter revising notice letter and revise same with redline	1.30	725.00	\$942.50
02/23/11	IAWN	Review response from Wilson re US mail bounce backs	0.10	725.00	\$72.50
02/23/11	IAWN	Office conference with Ira D Kharasch re need for purchase of extended reporting period and difference between notice of claim and notice of circumstances	0.20	725.00	\$145.00
02/24/11	EMB	Multiple email exchanges with I. Nasatir and legal assistant re finalization of revised letter to carrier and to officers and directors regarding potential claims.	0.20	695.00	\$139.00
02/24/11	EMB	Review email from S. Novacek re finalization of revised letter.	0.10	725.00	\$72.50
02/24/11	EMB	Email exchange with legal assistant re preparing redline of D&O claim letter.	0.20	725.00	\$145.00
02/24/11	IAWN	Assist in the finalization of the revised notice letter to insurer	2.50	725.00	\$1,812.50
02/24/11	IDK	E-mails with N. Gonfiantini, CRO re negotiations on Sedona.	0.20	825.00	\$165.00
02/25/11	IAWN	Review trackers to make sure insurer received letter of notice	0.10	725.00	\$72.50
Task Code Total			35.30		\$26,381.50

Operations [B210]

02/12/11	EMB	Review letter from K. Thomas to I. Kharasch re demand for preservation of information relating to D&O claims and email from I. Kharasch re same.	0.30	695.00	\$208.50
02/12/11	EMB	Email exchange with I. Kharasch re K. Thomas demand for letter to go out regarding preservation of information concerning potential D&O claims and handling of same.	0.20	695.00	\$139.00
02/16/11	EMB	Further review / analysis of letter from K. Thomas re preservation of information regarding potential claims and email to I. Kharasch and V. Newmark re letter to officers and directors.	0.50	695.00	\$347.50
02/22/11	EMB	Review email exchange between I. Kharasch and K. Thomas re Specialty moving from building.	0.20	695.00	\$139.00
02/23/11	EMB	Draft proposed letter to debtors contacts re preservation of information relating to potential claims against D's & O's and forward to I. Kharasch and V. Newmark.	1.00	695.00	\$695.00
02/24/11	EMB	Email exchange with I. Kharasch re letter re document preservation.	0.20	695.00	\$139.00
02/24/11	EMB	Review email from G. Caudill re document preservation.	0.20	695.00	\$139.00
02/25/11	EMB	Email exchange with G. Caudill regarding compilation of list of recipients of litigation hold letter.	0.20	695.00	\$139.00

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02/28/11	EMB	Emails (3) to K. Thomas re litigation hold letters and recipients of same.	0.50	695.00	\$347.50
02/28/11	EMB	Work on litigation hold letters to 55 recipients, with enclosures.	2.00	695.00	\$1,390.00
02/28/11	EMB	Multiple email exchanges with G. Caudill regarding compilation of list of recipients of "litigation hold" letters and work on list.	1.00	695.00	\$695.00
Task Code Total			6.30		\$4,378.50

Plan & Disclosure Stmt. [B320]

01/09/11	IDK	Further e-mails with client and Imperial on assumptions in liquidation analysis (.2); Review T. Newmark response to DB issue on extent of subordinated debt subordination (.1).	0.30	825.00	\$247.50
02/02/11	IDK	Emails with Imperial, Northlight re Northlight summary of primary new terms in exit financing, and consider (.2).	0.20	825.00	\$165.00
02/03/11	IDK	Emails with Imperial, Northlight re need for feedback on Northlight intention re DeutscheBank assets, and consider other needs on term sheet (.2).	0.20	825.00	\$165.00
02/04/11	IDK	Emails with Northlight and Imperial re issues on new term sheet (.1); Emails with Imperial re its analysis of new Northlight exit deal general terms and model re same, and review and consider, and feedback from client, others today and over weekend (.6).	0.70	825.00	\$577.50
02/08/11	IDK	Email and telephone conference with Imperial re new term sheet from Northlight today on exit financing and need for all hands call with Northlight re same (.2); Review and consider substantially new term sheet and note numerous issues and problems prior to call re same (.4); Attend extensive call re same with Imperial and CRO (.9); Review memo from Imperial summarizing our numerous open issues on Northlight term sheet, and emails with Imperial re same, as well as its emails with committee re same (.4); Emails with Imperial re other possible sources and structures and offer (.2).	2.10	825.00	\$1,732.50
02/09/11	IDK	Emails and telephone conference with Imperial re next steps on Northlight new term sheet (.3); Emails and telephone conference with Northlight counsel re same, and with Northlight, Imperial re need for call on issues re same (.4).	0.70	825.00	\$577.50
02/10/11	IDK	Emails with S. Armstrong re POD issues and other matters (.2).	0.20	825.00	\$165.00
02/10/11	IDK	Telephone conferences with Northlight counsel re various issues in Northlight revised term sheet for plan, including structure of incentive fees and DB (.7); emails with Northlight and Imperial re coordination of call tomorrow (.1); emails with FTI, committee, Imperial re status on Northlight and coordination of call tomorrow (.2).	1.00	825.00	\$825.00
02/11/11	IDK	Emails with Northlight and Imperial teams for coordination of call for today (.1); Attend call with Northlight team and Imperial team re Northlight's proposed term sheet and timing and due diligence (.7);	1.30	825.00	\$1,072.50

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		Email and attend conference call with committee, Imperial and CRO re same and next steps in case re plan (.5).			
02/14/11	IDK	E-mails with T. Newmark re issues on extent and structure of sub-debt to general unsecured claims, and consider classification issues.	0.30	825.00	\$247.50
02/28/11	IDK	E-mails with Northlight group, Imperial re Northlight new mark-up and coordinate call re same (.2); Review and consider Northlight's new revised proposal (.4); E-mails with Imperial and Northlight counsel re problems with same (.2).	0.80	825.00	\$660.00

Task Code Total**7.80****\$6,435.00****Stay Litigation [B140]**

02/01/11	EMB	Email exchange with V. Newmark re City National Bank motion for relief from stay.	0.10	695.00	\$69.50
02/01/11	EMB	Email exchange with N. Gonfiantini re information needed for response to City National Bank motion re Waterfront property.	0.20	695.00	\$139.00
02/01/11	IDK	Review and consider emails with client, others re outstanding issues on CNB motion opposition and value analysis.	0.20	825.00	\$165.00
02/03/11	EMB	Email exchange with V. Newmark re updating of appraiser declarations.	0.10	695.00	\$69.50
02/10/11	EMB	Review draft opposition to City National Bank motion for relief from stay.	0.30	695.00	\$208.50
02/10/11	EMB	Email exchanges (2) with Jordan Kroop in re further negotiation of confidentiality agreement.	0.20	695.00	\$139.00
02/10/11	EMB	Telephone conference with Joe Campbell re status of updated appraisal on Waterfront property, for purposes of City National Bank motion for relief.	0.50	695.00	\$347.50
02/10/11	EMB	Email exchanges (3) with V. Newmark re Waterfront appraisal and opposition to motion for relief from stay.	0.30	695.00	\$208.50
02/10/11	VAN	Draft opposition to City National Bank motion for relief from stay	2.70	625.00	\$1,687.50
02/11/11	EMB	Work on draft declaration of Campbell for Opposition to City National Bank motion for relief from stay.	1.00	695.00	\$695.00
02/12/11	EMB	Email exchange with Lisa Rogers re additional comments from Campbell regarding CBRE appraisal for Waterfront.	0.30	695.00	\$208.50
02/12/11	EMB	Review letter from Campbell in re comments to CBR appraisal for Waterfront and email exchange with Lisa Rogers re same.	0.50	695.00	\$347.50
02/12/11	EMB	Review and analysis of updated appraisal on Waterfront property prepared by Joe Campbell.	2.00	695.00	\$1,390.00
02/12/11	EMB	Work on Campbell declaration in opposition to Motion for Relief from Stay filed by City National Bank.	3.50	695.00	\$2,432.50
02/12/11	EMB	Email of draft declaration to Campbell with comments.	0.20	695.00	\$139.00
02/12/11	EMB	Email exchange with V. Newmark re Waterfront appraisals and opposition to City National Bank motion.	0.20	695.00	\$139.00

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Date	Initials	Description	Hours	Rate	Amount
02/14/11	IDK	Office conference and e-mails with attorneys re issues on opposition to CNB motion and how Waterfront fits into case future and values.	0.40	825.00	\$330.00
02/15/11	EMB	Email exchanges with V. Newmark re loan documents concerning Specialty's second position on Waterfront, re opposition to City National Bank motion.	0.60	695.00	\$417.00
02/15/11	EMB	Finalization of Campbell declaration with exhibits and evidentiary objections to be filed in opposition to City National Bank motion for relief and email of same to Donna Ellis for filing.	0.30	695.00	\$208.50
02/15/11	EMB	Email exchange with V. Newmark re opposition to City National Bank motion and whether additional changes needed to Campbell declaration.	0.20	695.00	\$139.00
02/15/11	EMB	Email exchange with Joe Campbell in re his declaration in support of opposition to City National Bank motion for relief relating to Waterfront and telephone conferences with Joe Campbell re same.	0.50	695.00	\$347.50
02/15/11	EMB	Review final declaration for Joe Campbell in re Waterfront / City National Bank motion and prepare same for filing with exhibits.	0.30	695.00	\$208.50
02/15/11	EMB	Review email exchanges between V. Newmark and Jeff Finn in re Waterfront property vis a vis Northlight proposal.	0.20	695.00	\$139.00
02/15/11	IDK	E-mails re finalization of opposition to CNB motion and re value of property to investor and DB issues on draft opposition.	0.30	825.00	\$247.50
02/15/11	VAN	Draft/revise opposition to City National Bank relief from stay motion.	2.80	625.00	\$1,750.00
02/16/11	EMB	Review multiple email exchanges between V. Newmark, Lisa Rogers and Sallie Armstrong re opposition to City National Bank motion.	0.50	695.00	\$347.50
02/16/11	EMB	Review draft opposition to City National Bank motion for relief from stay and email comments to V. Newmark.	0.50	695.00	\$347.50
02/16/11	IDK	Review e-mails with attorneys re draft opposition to CNB motion.	0.30	825.00	\$247.50
02/22/11	IDK	E-mails with attorneys re hearing with CNB on 3/2 and handling same (.2).	0.20	825.00	\$165.00
02/24/11	IDK	E-mails and review e-mails with T. Newmark, client re need for information and analysis of Debtor's ability to foreclose on Waterfront re issues relating to CNB Motion for Relief from Stay.	0.30	825.00	\$247.50
02/24/11	VAN	Analysis regarding Waterfront issues.	0.50	625.00	\$312.50
02/26/11	IDK	Consider upcoming 3/2 hearing on CNB motion and e-mail with attorneys re process of hearing re potential testimony.	0.30	825.00	\$247.50
02/28/11	IDK	E-mails with T. Newmark re CNB issues and possible stipulation and process (.2); E-mails with client re need for balance sheet (.1).	0.30	825.00	\$247.50
02/28/11	IDK	Review and consider moving and opposing papers on CNB motion and related correspondence from client and T. Newmark re issues on Debtor's ability to foreclose and history of loan modification for hearing prep (1.3); E-mails with S. Armstrong, others re Court feedback on process of hearing (.2); E-mails with CRO, others re options on	1.70	825.00	\$1,402.50

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waterfront and CNB and possible foreclosure by Debtor
(.2).

02/28/11	VAN	Draft email memorandum to Lisa Rogers regarding Waterfront loan documents.	0.20	625.00	\$125.00
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Task Code Total

22.70

\$15,862.50

Total professional services:

135.40

\$100,518.00

Costs Advanced:

02/01/2011	PAC	80662.00002 PACER Charges for 02-01-11	\$2.72
02/02/2011	LN	80662.00002 Lexis Charges for 02-02-11	\$130.03
02/02/2011	PAC	80662.00002 PACER Charges for 02-02-11	\$2.40
02/02/2011	SO	Secretarial Overtime, M. Desjardien	\$52.70
02/04/2011	RE2	SCAN/COPY (21 @0.10 PER PG)	\$2.10
02/04/2011	RE2	SCAN/COPY (55 @0.10 PER PG)	\$5.50
02/07/2011	PAC	80662.00002 PACER Charges for 02-07-11	\$5.04
02/08/2011	PAC	80662.00002 PACER Charges for 02-08-11	\$16.40
02/08/2011	RE2	SCAN/COPY (12 @0.10 PER PG)	\$1.20
02/08/2011	RE2	SCAN/COPY (76 @0.10 PER PG)	\$7.60
02/08/2011	RE2	SCAN/COPY (106 @0.10 PER PG)	\$10.60
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$54.45
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$57.48
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$54.45
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$54.45
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$54.45
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$57.48
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$53.90
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$50.16
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$60.17
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$10.24
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$57.48
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$57.48
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$57.48
02/10/2011	FE	80662.00002 FedEx Charges for 02-10-11	\$10.24
02/10/2011	LN	80662.00002 Lexis Charges for 02-10-11	\$80.27
02/10/2011	PAC	80662.00002 PACER Charges for 02-10-11	\$7.52
02/10/2011	PO	80662.00002 :Postage Charges for 02-10-11	\$1.22
02/10/2011	PO	80662.00002 :Postage Charges for 02-10-11	\$0.44
02/10/2011	RE	(DOC 338 @0.20 PER PG)	\$67.60
02/10/2011	RE2	SCAN/COPY (1 @0.10 PER PG)	\$0.10
02/10/2011	RE2	SCAN/COPY (1 @0.10 PER PG)	\$0.10
02/10/2011	RE2	SCAN/COPY (1 @0.10 PER PG)	\$0.10

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02/10/2011	RE2	SCAN/COPY (1 @0.10 PER PG)	\$0.10
02/10/2011	RE2	SCAN/COPY (1 @0.10 PER PG)	\$0.10
02/10/2011	RE2	SCAN/COPY (2 @0.10 PER PG)	\$0.20
02/10/2011	RE2	SCAN/COPY (13 @0.10 PER PG)	\$1.30
02/10/2011	RE2	SCAN/COPY (13 @0.10 PER PG)	\$1.30
02/10/2011	RE2	SCAN/COPY (13 @0.10 PER PG)	\$1.30
02/11/2011	FE	80662.00002 FedEx Charges for 02-11-11	\$62.70
02/11/2011	FE	80662.00002 FedEx Charges for 02-11-11	\$60.17
02/11/2011	FE	80662.00002 FedEx Charges for 02-11-11	\$60.17
02/11/2011	PO	80662.00002 :Postage Charges for 02-11-11	\$1.56
02/11/2011	RE2	SCAN/COPY (2 @0.10 PER PG)	\$0.20
02/11/2011	RE2	SCAN/COPY (2 @0.10 PER PG)	\$0.20
02/14/2011	RE2	SCAN/COPY (1 @0.10 PER PG)	\$0.10
02/14/2011	RE2	SCAN/COPY (2 @0.10 PER PG)	\$0.20
02/14/2011	RE2	SCAN/COPY (2 @0.10 PER PG)	\$0.20
02/14/2011	RE2	SCAN/COPY (46 @0.10 PER PG)	\$4.60
02/14/2011	RE2	SCAN/COPY (53 @0.10 PER PG)	\$5.30
02/14/2011	RE2	SCAN/COPY (82 @0.10 PER PG)	\$8.20
02/15/2011	PAC	80662.00002 PACER Charges for 02-15-11	\$11.68
02/16/2011	PAC	80662.00002 PACER Charges for 02-16-11	\$9.12
02/16/2011	RE2	SCAN/COPY (1 @0.10 PER PG)	\$0.10
02/16/2011	RE2	SCAN/COPY (3 @0.10 PER PG)	\$0.30
02/16/2011	RE2	SCAN/COPY (12 @0.10 PER PG)	\$1.20
02/16/2011	RE2	SCAN/COPY (12 @0.10 PER PG)	\$1.20
02/16/2011	RE2	SCAN/COPY (12 @0.10 PER PG)	\$1.20
02/16/2011	RE2	SCAN/COPY (13 @0.10 PER PG)	\$1.30
02/16/2011	RE2	SCAN/COPY (13 @0.10 PER PG)	\$1.30
02/17/2011	RE2	SCAN/COPY (13 @0.10 PER PG)	\$1.30
02/17/2011	RE2	SCAN/COPY (13 @0.10 PER PG)	\$1.30
02/17/2011	RE2	SCAN/COPY (15 @0.10 PER PG)	\$1.50
02/17/2011	RE2	SCAN/COPY (15 @0.10 PER PG)	\$1.50
02/18/2011	RE2	SCAN/COPY (16 @0.10 PER PG)	\$1.60
02/22/2011	AF	Air Fare [E110] Southwest Airlines, Tkt 262156906, LAX/RNO (Hearing 3/2), IDK	\$205.70
02/22/2011	PAC	80662.00002 PACER Charges for 02-22-11	\$49.76
02/22/2011	RE2	SCAN/COPY (2 @0.10 PER PG)	\$0.20
02/22/2011	RE2	SCAN/COPY (8 @0.10 PER PG)	\$0.80
02/22/2011	RE2	SCAN/COPY (8 @0.10 PER PG)	\$0.80
02/22/2011	RE2	SCAN/COPY (13 @0.10 PER PG)	\$1.30
02/22/2011	RE2	SCAN/COPY (15 @0.10 PER PG)	\$1.50
02/22/2011	RE2	SCAN/COPY (26 @0.10 PER PG)	\$2.60
02/22/2011	RE2	SCAN/COPY (87 @0.10 PER PG)	\$8.70
02/22/2011	RE2	SCAN/COPY (104 @0.10 PER PG)	\$10.40

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02/22/2011	RE2	SCAN/COPY (194 @0.10 PER PG)	\$19.40
02/22/2011	RE2	SCAN/COPY (245 @0.10 PER PG)	\$24.50
02/22/2011	TE	Travel Expense [E110] Travel Agency Fee, IDK	\$45.00
02/23/2011	PAC	80662.00002 PACER Charges for 02-23-11	\$21.20
02/23/2011	RE2	SCAN/COPY (1 @0.10 PER PG)	\$0.10
02/23/2011	RE2	SCAN/COPY (1 @0.10 PER PG)	\$0.10
02/23/2011	RE2	SCAN/COPY (2 @0.10 PER PG)	\$0.20
02/23/2011	RE2	SCAN/COPY (14 @0.10 PER PG)	\$1.40
02/24/2011	PO	80662.00002 :Postage Charges for 02-24-11	\$8.54
02/24/2011	RE	(DOC 410 @0.20 PER PG)	\$82.00
02/24/2011	RE2	SCAN/COPY (14 @0.10 PER PG)	\$1.40
02/26/2011	PAC	80662.00002 PACER Charges for 02-26-11	\$5.20
02/28/2011	PAC	80662.00002 PACER Charges for 02-28-11	\$7.44

Total Expenses:

\$1,824.29**Summary:**

Total professional services	\$100,518.00
Total expenses	\$1,824.29
Net current charges	\$102,342.29
Net balance forward	\$214,023.52
Total balance now due	\$316,365.81

EMB	Bender, Ellen M.	38.80	695.00	\$26,966.00
EMB	Bender, Ellen M.	0.30	725.00	\$217.50
IAWN	Nasatir, Iain A. W.	21.60	725.00	\$15,660.00
IDK	Kharasch, Ira D.	59.70	825.00	\$49,252.50
PJJ	Jeffries, Patricia J.	2.20	235.00	\$517.00
SEM	McFarland, Scotta E.	1.90	575.00	\$1,092.50
VAN	Newmark, Victoria A.	10.90	625.00	\$6,812.50
		<u>135.40</u>		<u>\$100,518.00</u>

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Task Code Summary

		Hours	Amount
BL	Bankruptcy Litigation [L430]	0.20	\$139.00
CA	Case Administration [B110]	1.90	\$446.50
CO	Claims Admin/Objections[B310]	0.30	\$187.50
CP	Compensation Prof. [B160]	0.30	\$70.50
FF	Financial Filings [B110]	0.60	\$345.00
FN	Financing [B230]	17.70	\$12,909.50
GB	General Business Advice [B410]	41.00	\$32,615.00
GC	General Creditors Comm. [B150]	1.30	\$747.50
IC	Insurance Coverage	35.30	\$26,381.50
OP	Operations [B210]	6.30	\$4,378.50
PD	Plan & Disclosure Stmt. [B320]	7.80	\$6,435.00
SL	Stay Litigation [B140]	22.70	\$15,862.50
		<hr/> 135.40	<hr/> \$100,518.00

Expense Code Summary

Air Fare [E110]	\$205.70
Federal Express [E108]	\$872.95
Lexis/Nexis- Legal Research [E	\$210.30
Pacer - Court Research	\$138.48
Postage [E108]	\$11.76
Reproduction Expense [E101]	\$149.60
Reproduction/ Scan Copy	\$137.80
Overtime	\$52.70
Travel Expense [E110]	\$45.00
	<hr/> \$1,824.29